



"MAKING THE GRADE"

*WASHINGTON HIGHER EDUCATION AND THE
GLOBAL CHALLENGE*

draft report

JUNE 28, 2006

Washington is its own small nation in this new world economy and we are uniquely suited to succeed. We are innovative; we have the human capital, research institutions and the natural resources to take full advantage of the opportunities presented by global trade. I believe the role of government is to support and encourage creativity, innovation, new products, a world class education system and smart investing . . . Neither government nor business can do this alone. But, government can work in partnership with our business, agricultural and educational communities to build our own economic engines.

Governor Christine Gregoire

- . . . America seems to have grown complacent with its success. It is at risk of letting the revolutionary development of talent around the world pass it by.*
- . . . [Is] the investment in education in [Washington] . . . a strategic investment that recognizes today's competitive global realities?*

America . . . is like the proverbial frog in the boiling water: Getting cooked without even noticing. I fear the same is true for Washington State.

**William Harris,
Director General of the
Science
Foundation Ireland**

The water is heating up.

The study is based on the Washington Leans Steering Committee's mandate to:

Develop recommendations for a new postsecondary education funding structure that identifies:

- ***How best to distribute current dollars and***
- ***Whether additional funding is necessary to achieve Washington's higher education goals.***

Nine comparison states were used to establish benchmarks for where Washington is, where it needs to go, measuring its progress, or its regress, and placing Washington in a global context.

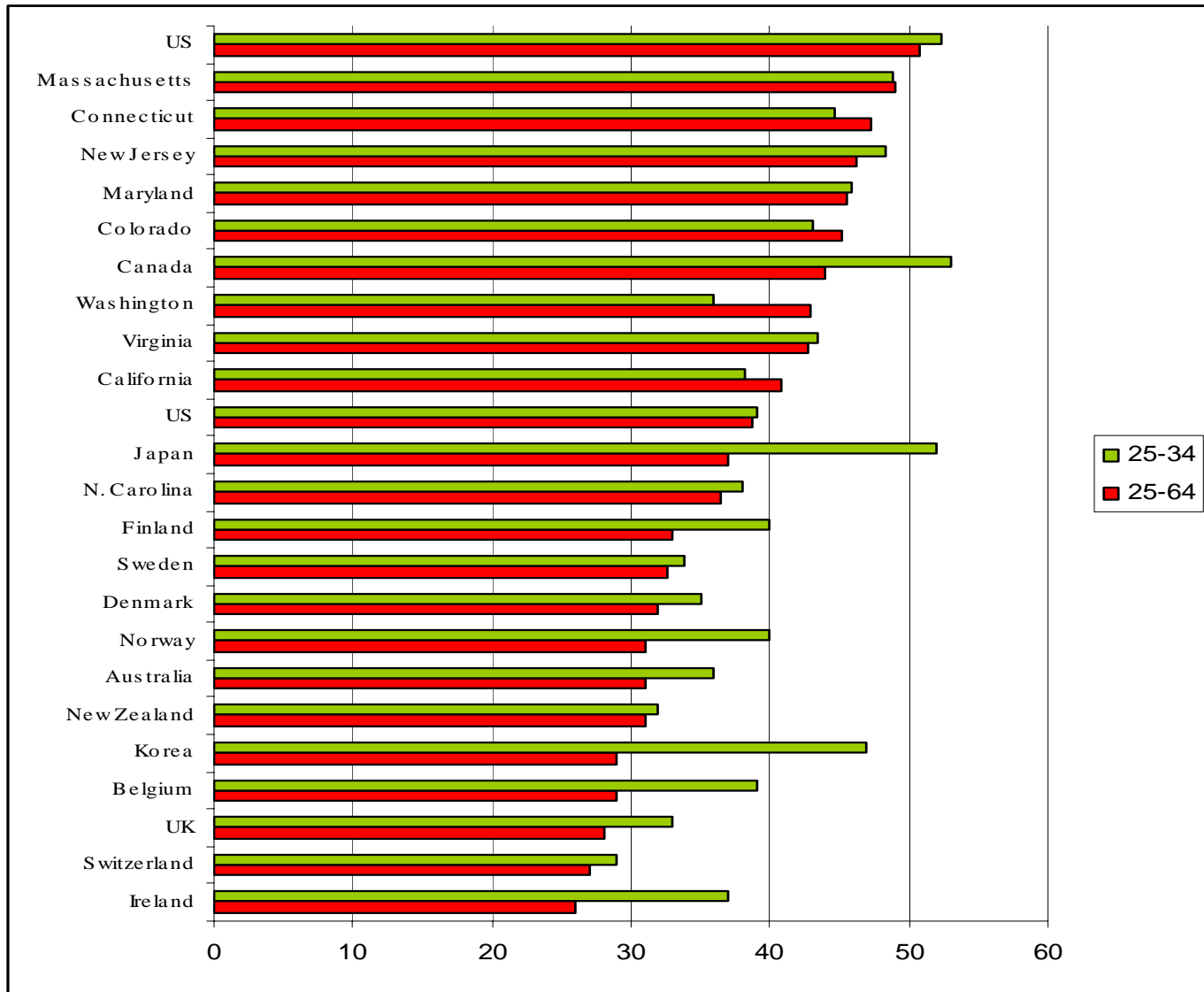
These are *Washington's Global Challenge States [GCS]*.

- ✓ Massachusetts
- ✓ Washington
- ✓ California
- ✓ Colorado
- ✓ Maryland
- ✓ New Jersey
- ✓ Connecticut
- ✓ Virginia
- ✓ Minnesota
- ✓ North Carolina

When compared with these states and internationally, some of the numbers for Washington and the nation look fine. But a large percentage of our educated population is composed of people in the older age groups.

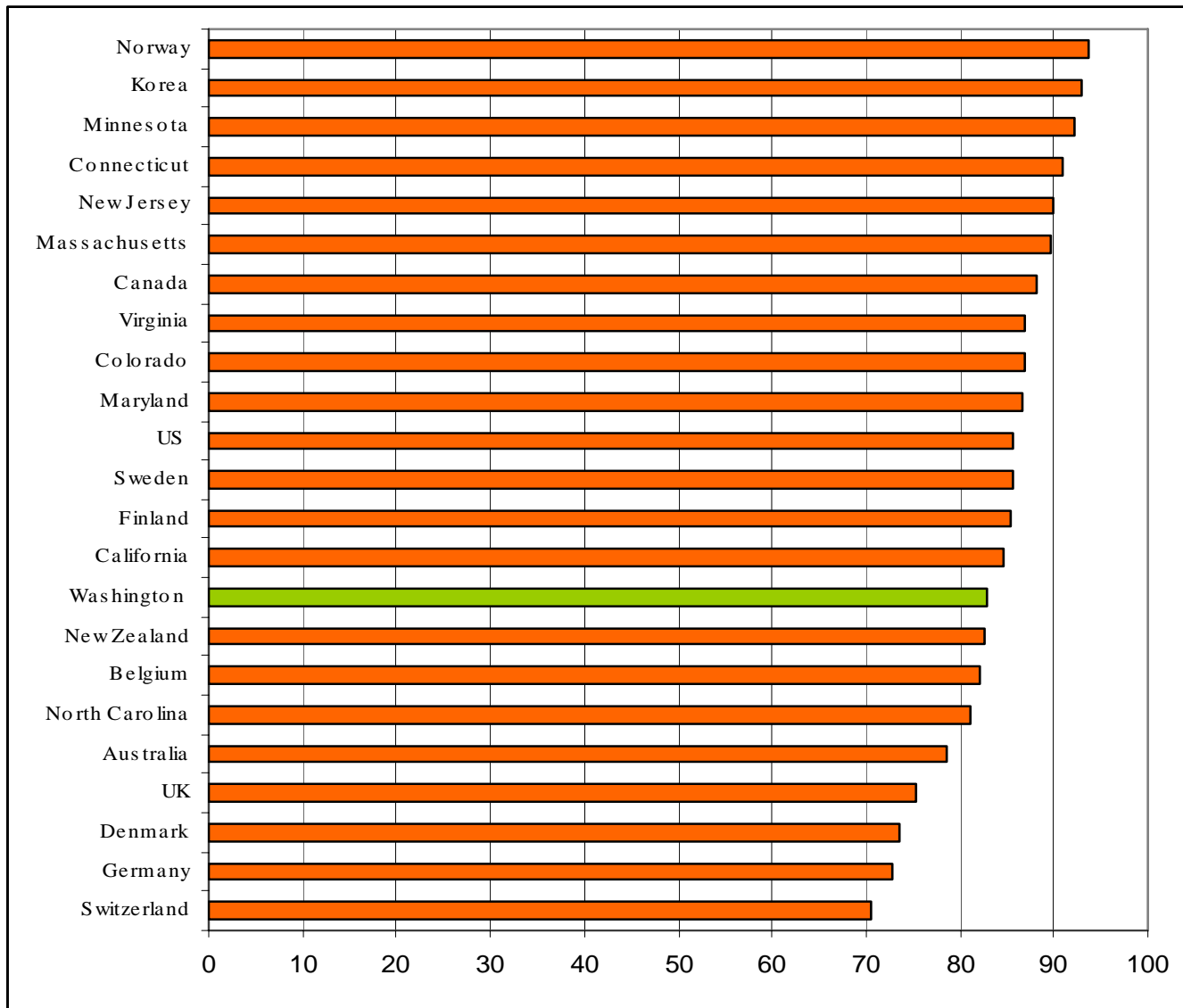
We are slipping when it comes to the younger groups.

The following chart shows the percent adults with a college credential, those age 25-34, and those age 25-64 . . .



Slippage also is apparent in the numbers of young adults with a high school diploma. Washington ranks 14th 'globally', behind eight of the nine GC states.

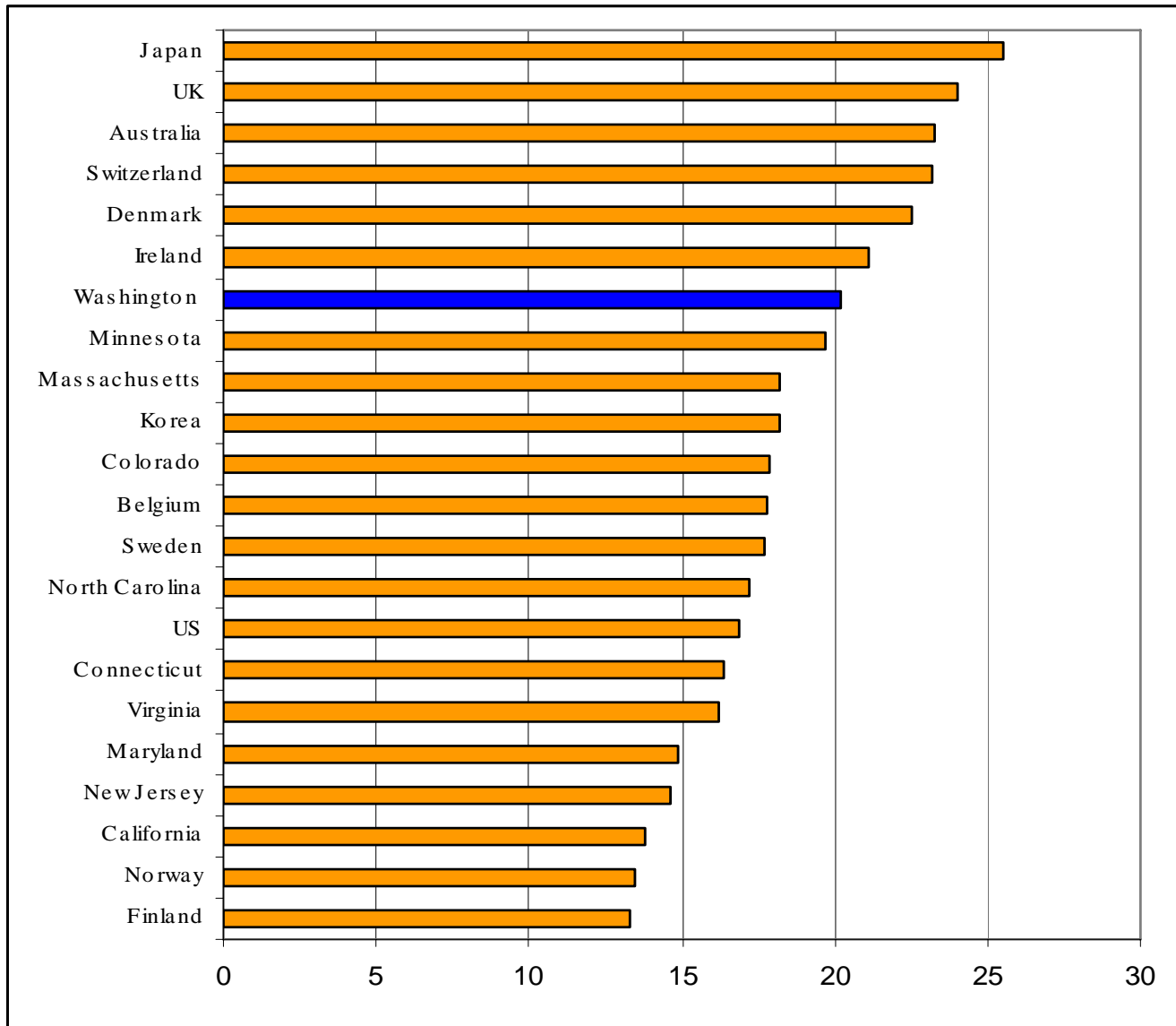
The graph describes the percent of 20-24 year-olds with a high school diploma or GED:



Washington is relatively competitive in degree conferrals to enrollments.

While behind Japan, Great Britain, Australia, Switzerland, Denmark, and Ireland, it leads the GC states and ranks well above the U.S. average.

The chart depicts degrees conferred per undergraduate students enrolled [2003]



***Washington does well with the students
it has, but***

It needs to do much better.

***There also are other reasons than the
Global Economy to pay attention.***

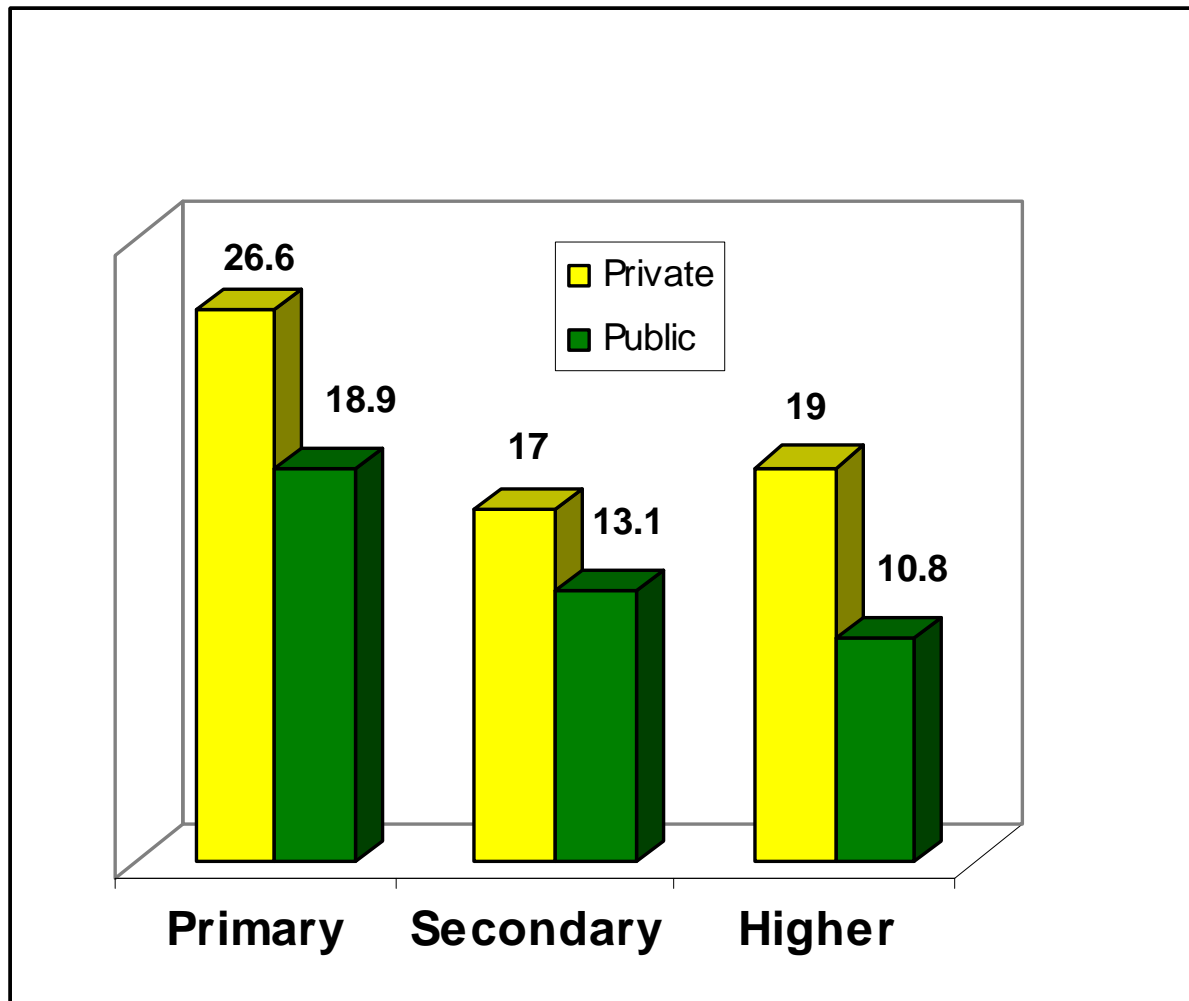
***These would remain even if the world
went away.***

Consider this:

- **24.4% of families living below the poverty level have less than a high school diploma; people with bachelor's degrees account for 2.4%.**
- **Infant mortality rates decrease with education attainment for all racial and ethnic categories**
- **Two-thirds of those with a bachelor's degree or higher regularly wear seatbelts while driving, compared with 39% of those without a high school degree.**
- **Of women who were unmarried and had a child in the past year, 45.6% had not finished high school; 6.1% had a bachelor's degree or higher.**
- **73% of those with a bachelor's degree or above know what the first ten amendments to the U.S. Constitution are called, compared with 7% of those who dropped out of high school**
- **52% of those with a bachelor's or above performed an ongoing community service during the year**
- **91% of those with a bachelor's or above, compared with 51% of those without a high school diploma, voted in a recent national or state election.**
- **71% of male offenders and 83% of female offenders in the Washington prison system score at less than the 9th grade level on basic skills tests.**
- **87.1% of the adults in Washington have a high school diploma; this is so with 32% of the Washington State prison inmates.**
- **85.5% of Temporary Assistance for Needy Family recipients have 12 or fewer years of education.**

You can do the math . . .

A review of 73 countries in 2004 found the returns on education investments to be substantial in all cases . . .



Achieving and sustaining a first-rate education system is a task we all must share. The study is predicated on this assumption.

We need to get more students into higher education and more of them into needed programs.

We also need to know what is the true demand, and what are the things of greatest importance to the people and industries in this state and make sure that our policies and our funding are pointed in the proper directions.

Washington has student pipeline issues. The state ranks at the bottom of the GCS group in its ability to get students from the ninth grade into and through college. . .

**THE STUDENT PIPELINE
MOVEMENT OF 9TH GRADERS THROUGH COLLEGE
GLOBAL CHALLENGE STATE**

SOURCE: NCHEMS, YEAR 2000 DATA

State	For every 100 Ninth Graders	Graduate from High School	Enter College	Are Still Enrolled Their Sophomore Year	Graduate within 150% Time
Massachusetts	100	75	52	41	28
Connecticut	100	77	48	37	26
Minnesota	100	84	53	38	25
New Jersey	100	86	55	40	24
Virginia	100	74	39	30	20
Colorado	100	71	37	26	18
North Carolina	100	59	38	28	18
Maryland	100	73	40	30	18
California	100	69	33	22	17
Washington	100	71	32	22	16
GCS Avg.	100	74	43	31	21
United States	100	67	38	26	18

When compared with the other GC states:

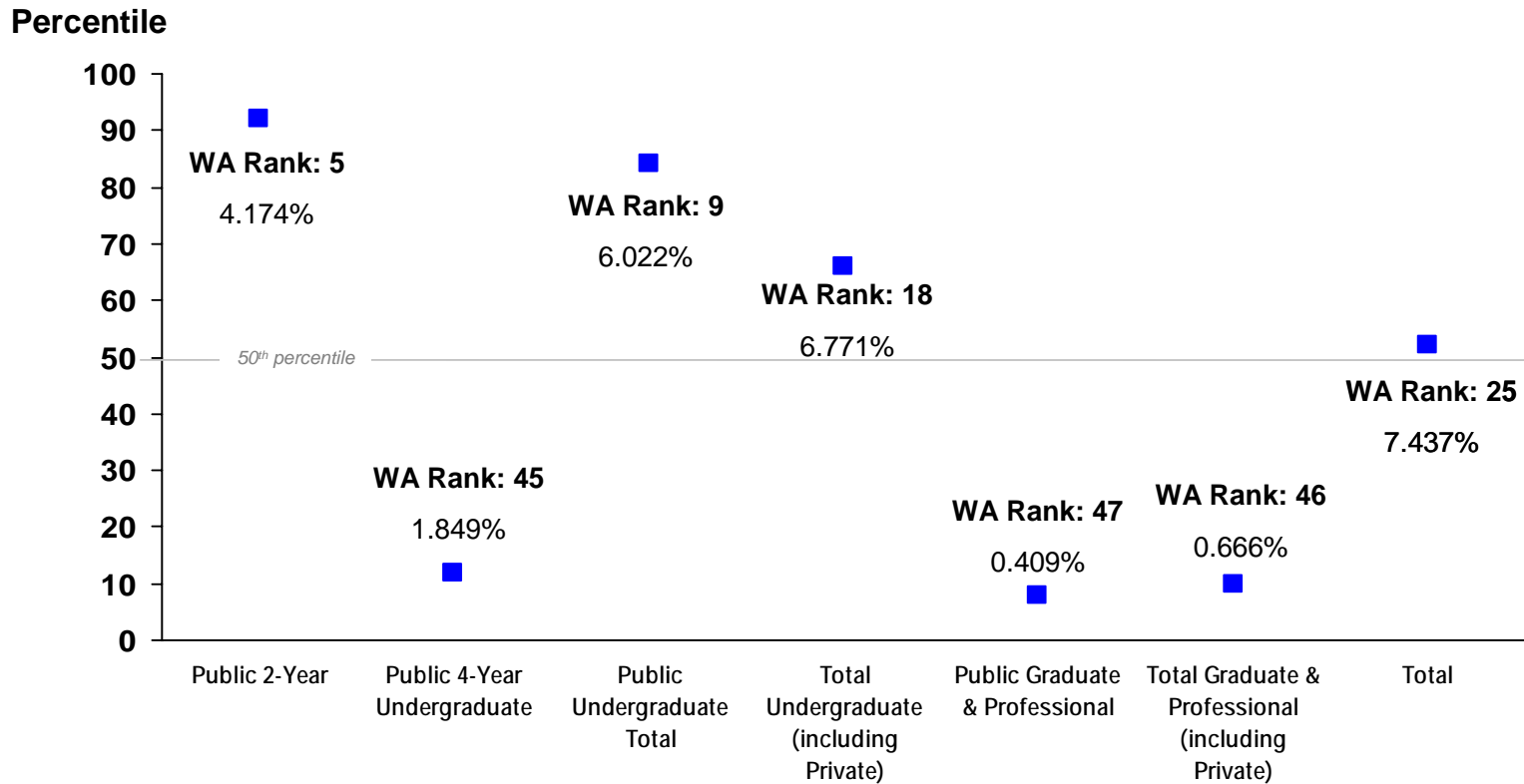
- ***Washington ties for next to last place in percent of ninth graders who finish high school,***
- ***Scores last in percent of ninth graders who make it into college,***
- ***Ties for last place in percent of those who are still enrolled their sophomore year, and***
- ***Scores last in the percent who graduate within 150% of the expected time.***

The next figure shows Washington's standing among the states in higher education participation at the different levels.

There has been little change in these rankings over the more than twenty years since they were first noticed.

Participation Rate: State Rankings, Fall 2002 Enrollment

Population 18 & over, includes students who are residents of other states plus foreign students



Source: NCES Digest of Education Statistics 2004, Table 198. U.S. Census Bureau. (Based on slide created by OFM)

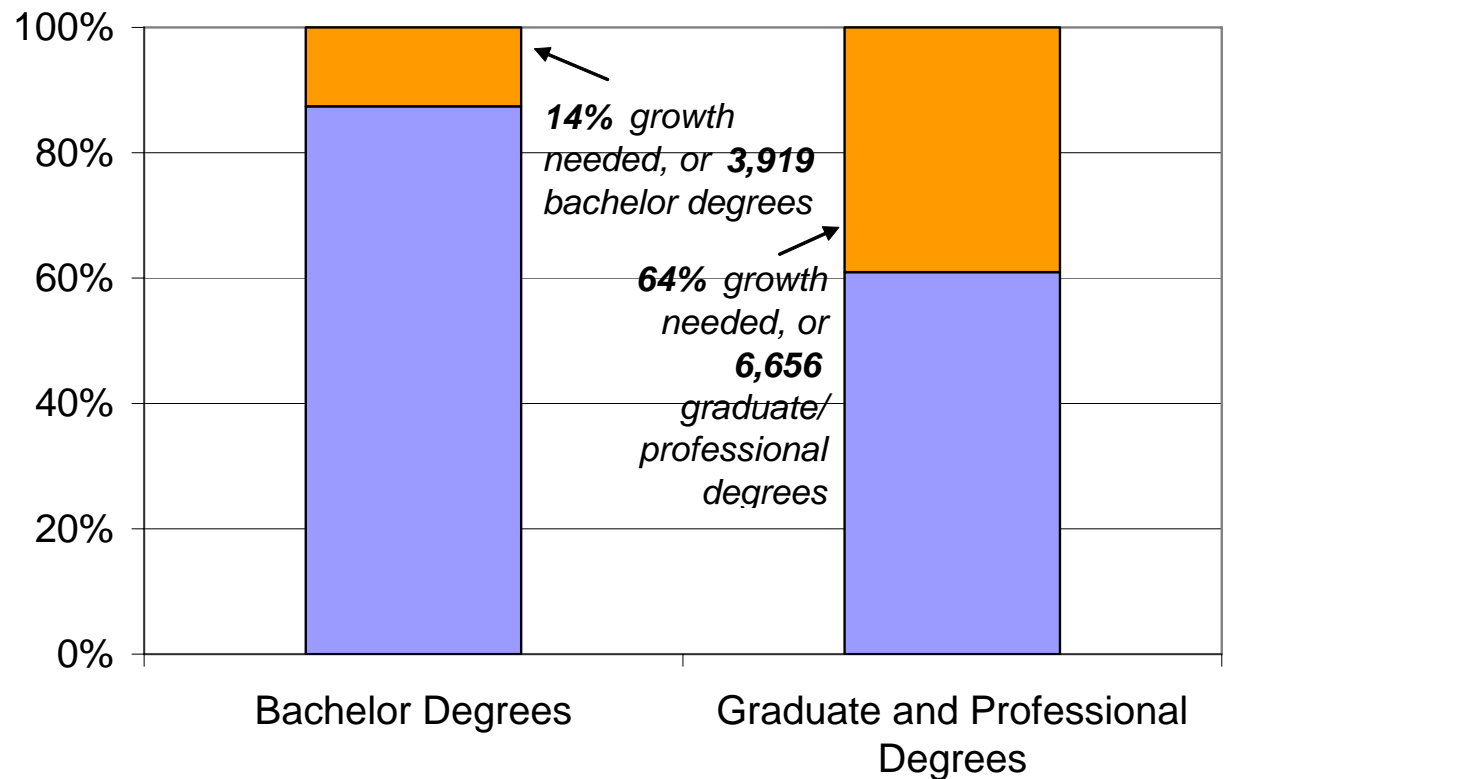
If we had been at the GCS average three years ago, we would have graduated

***3,900 more bachelor's degree holders
(14%)***

***And there would have been about 6,600
graduate and professional degree
recipients (64%).***

***If nothing else, we would have some
catching up to do.***

WA Growth Needed to Reach Peer Group Average Degree Conferral Rate, 2003-04



Sources: Digest of Education Statistics, Census Bureau

Recommendations:

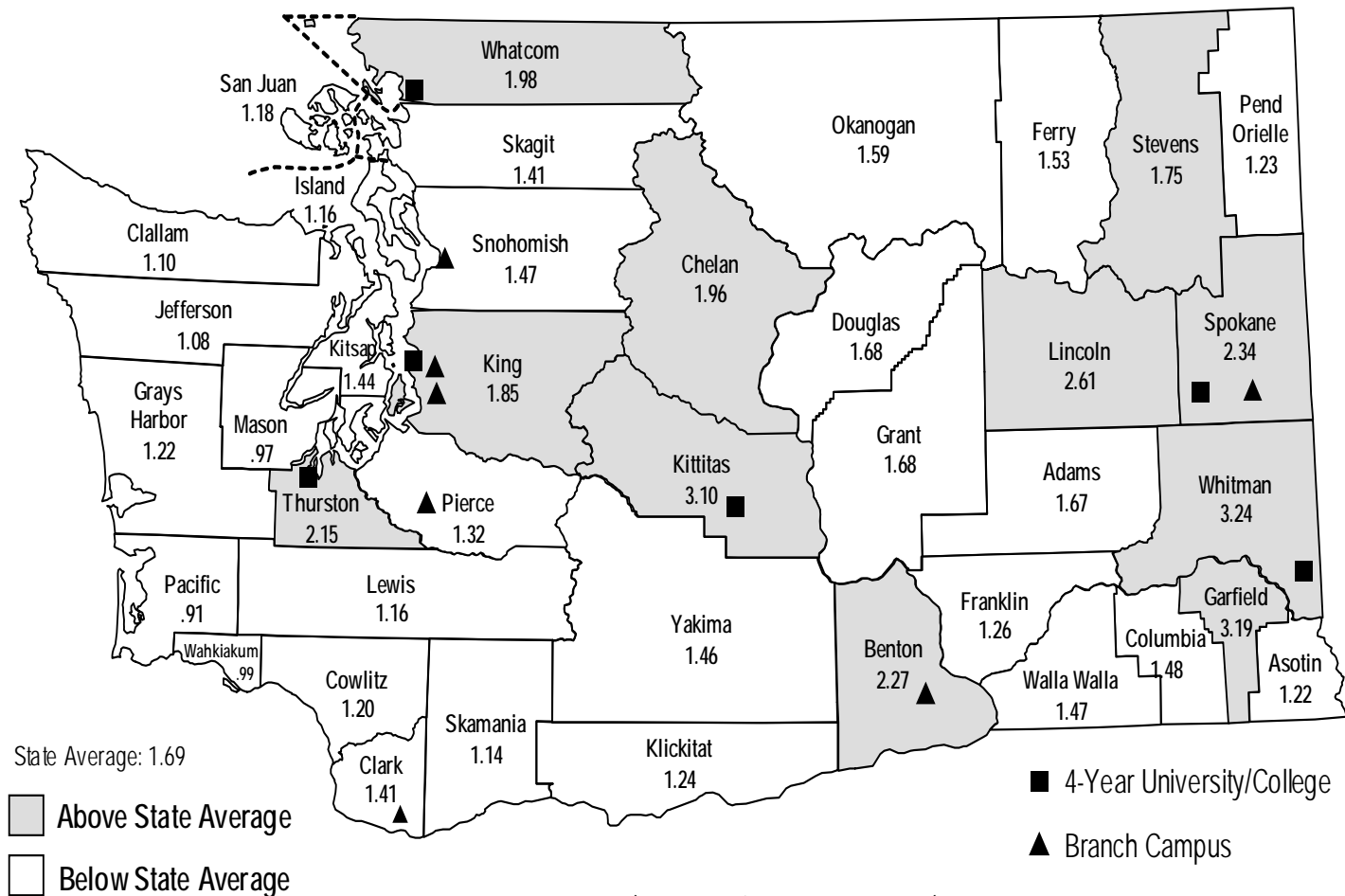
- ***For the community and technical college sector, seek to maintain Washington's high ranking and degrees-to-young-population ratio, supplemented by specific responses to needs in fields showing a shortfall relative to employer demand***
- ***For bachelor's and graduate/professional degrees, the Global Challenge average provides a figure to aim for. This implies gearing up for substantial increases in enrollment capacity and degree production.***

Recommendations:

- High demand fields should have priority and may require extra resources for high cost fields (e.g., computer science) and in some cases special incentives to attract students, e.g.,***
- Loan forgiveness options to attract and retain math and science teaching candidates,***
 - Field-specific fellowships at the graduate level, and***
 - A promise of salary increments for teachers with ESL and science and mathematics capabilities.***

But we still need to get more students in. . .

Participation rates in Washington counties are uneven . . .



Recommendations:

- ***Capacity in needed fields could be increased through direct relationships with qualified independent institutions in the form of contractual arrangements or scholarships equal to the average state FTE subsidy for the program field.***
- ***This could offer greater responsiveness to cyclical needs without a heavy up-front infrastructure investment and loss of time.***

Recommendations:

Such a program could be operated on an RFP basis, e.g., to increase the number of degrees earned by Hispanic or other under-represented population groups.

Recommendations:

Increasing participation rates markedly will require aggressive outreach efforts to the lowest-participating groups, ample financial aid, and closer alignment of K-12 efforts with higher education.

Without creating more college-ready high school students it will not be possible to enroll or successfully graduate many more young people.

Recommendations:

Part-time students, including those in workforce preparation programs, do not qualify for the State Need Grant program. This should be changed and the program should be expanded to qualify and include them.

Recommendations:

The pilot program to test the Opportunity Grant Program is funded at \$4 million.

The goal is to use student financial aid to get low-income students to the 'tipping point,' one year of college level credits and a credential.

We believe the effort is too modest and in danger of dilution; funding should be at least doubled.

Recommendations:

Indiana's 21st Century Scholars Program offers full-tuition scholarships to high school students who qualify for free and reduced price lunches in the 8th grade and who maintain at least a C average in high school. The commitment is made during the middle school year.

The program also provides assistance to help the students prepare for college academically and socially.

Washington should establish such an early commitment program, which should be known as Washington's 21st Century Scholarship Program.

Recommendations:

The state should cut the Gordian Knot and provide a first-year tuition waiver at community college tuition rates for all Washington students.

This would provide a 13th year of education in any program, workforce preparation or academic, to all students who wish to take advantage of it.

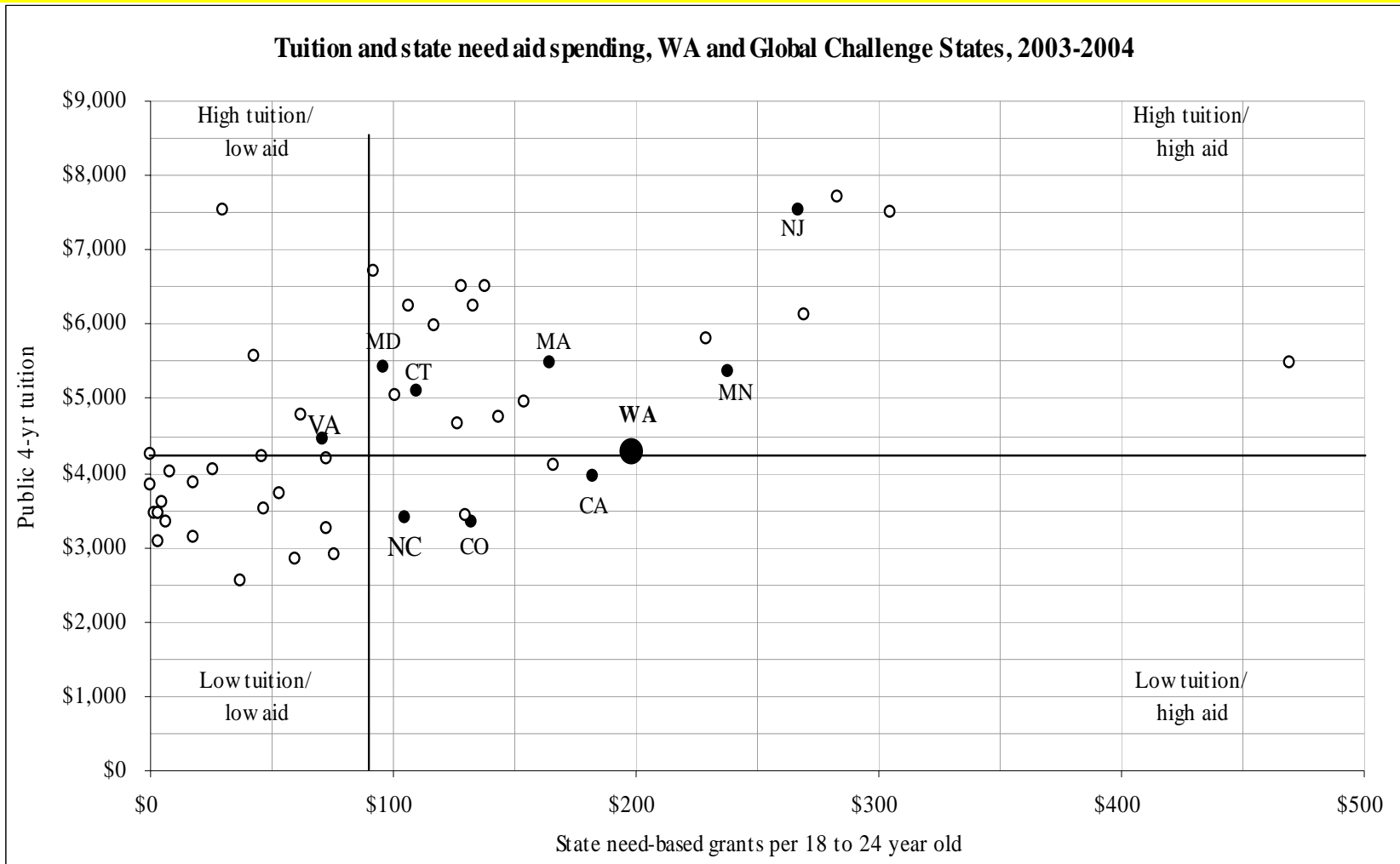
This program should be known as the Washington Opportunity Scholarship Program.

Recommendations:

The effort should be accompanied with a dedicated information program publicizing the state's commitment to access to higher education and to low- and moderate-income students and providing specific information about how these programs will affect them, particularly focused on the target population.

- *Washington is a moderate (medium) tuition/moderate-aid state.*
- *Half of the GCS (MD, CT, MA, NJ, and MN) are in the high aid-high tuition group. California, CO, and NC are considered comparatively low tuition-high aid states.*
- *Washington is closest to this second cluster. All of the GCS except for VA are on the high aid side of the next graph.*

NEED-BASED GRANT SPENDING PER CAPITA AND FOUR-YEAR TUITION PRICES, 2002



Recommendations:

Tuition rates in the four-year universities should be increased to achieve greater parity with counterpart institutions in the Global Challenge States.

Washington community college tuition is relatively higher in the comparison group setting than is the case with the two university sectors. We do not recommend increases in the rates for the community/technical college sector at this time.

Differential pricing rates among institutions should be used as incentives to attract students to take advantage of available capacity.

Recommendations:

Any program of tuition increase must be accompanied with equal attention to student aid (e.g., Washington has a history of reserving 25% of any tuition increase for financial aid). This commitment and tradition should continue.

The University of Washington especially should commit to holding harmless students below the median income level in Washington by providing institutional aid to offset any tuition increases that exceed the inflation rate

Viewing state funding as a form of investment, identifying priorities for focusing that investment, and allowing institutions to manage their affairs while holding them accountable for results are where we need to be.

This requires definition, communication, discussion, and agreement: A Public Higher Education Agenda

Recommendations:

A public agenda for higher education in Washington should be defined and established.

Recommendations:

Public Agenda Priorities should include:

- Expand access to higher education, especially at the front end.***
- Preserve affordability through sensitive tuition and student financial aid policies.***
- Distribute the cost burden equitably.***
- Preserve and build upon Washington's prominence as a magnet economy but also recognize the essential importance of opportunities for Washington residents.***

Recommendations:

- ***Increase participation and productivity in workforce preparation programs.***
- ***Increase collaborative and cooperative planning with K-12, with special attention to college readiness.***
- ***Improve the capacity of the coordinating board to engage in effectual policy research.***
- ***Utilize the full range of resources, public and private, classroom and other.***
- ***Increase responsiveness through managerial flexibility and autonomy to institutions.***

Recommendations:

With respect to ,managerial autonomy for colleges and universities, Virginia's experience with college and university restructuring and performance agreements offers a model we recommend be employed here.

Such a system of agreements should be linked to the Public Agenda and called the Washington Performance and Accountability Agreement program.

Washington needs a more potent approach to higher education policy development. The Higher Education Coordinating Board is both a coordinating board focused essentially on the four-year sector and an agency with significant program administration responsibilities.

In addition to planning and coordinating, the HECB manages at least the following:

- ***State Need Grant Program***
- ***State work Study Program***
- ***Washington Promise Scholarship Program***
- ***Educational Opportunity Grant Program***
- ***Washington Scholars Program***
- ***WAVE***
- ***GEAR UP***
- ***GET***
- ***Federal Improving Teacher quality Program***
- ***Child Care Grants Program***
- ***Community Scholarship matching Grant Program***
- ***Supplemental Colleges Assistance Migrant Program***
- ***Distinguished Professorship and Graduate Fellowships Program***

It authorizes out-of-state institutions to offer program in Washington and Approves educational and occupational training programs for veterans' education benefits.

Recommendations:

We recommend a transfer of the HECB's program administration responsibilities to a separate agency, a Higher Education Services Office, which would be created for this purpose and staffed by the same people who presently staff these programs.

Recommendations:

The membership of the HECB should be expanded to include the Governor, as ex officio chair, four legislators (two from each house, one from each caucus), nine citizen members appointed by the Governor, the Director of OFM, the SPI, the chair of the Council of Presidents, the Chair of ICW, the director of the SBCTC, and the director of the WFTECB, and others as may be appropriate. This solution should be revisited and evaluated in ten years.

Recommendations:

A P-20 Council should be formed as a temporary entity with an initial life of five years, with the opportunity to extend based on evidence of need at the end of this period.

Recommendations:

The P-20 Council could take the form of an Education Cabinet and be a forum for an Education Management and Accountability Program, modeled on the present GMAP program for state agencies.

Representation should include the Governor, the SPI, OFM, the COP, the SBCTC, the HECB, and the WTECB. The Council would be staffed by people in these organizations.

Recommendations:

The Council should oversee programs to increase developments in the following areas:

- P-20 curricula alignment;***
- Student transition from level to level;***
- P-20 guidance, including on-line guidance assistance;***
- Impediments to credit transfer;***
- Articulation agreements;***
- Equitable funding for programs such as Running Start;***
- Availability of programs such as Advanced Placement and the International Baccalaureate in all high schools, urban, suburban, and rural, rich district and poor.***

Recommendations:

Washington utilizes separate budgets for each of the major education sectors (e.g., K-12 and higher education). There is no "Education" budget.

The state regularly should employ an Education Budget Overlay on the order of the "Chalkboard Project" developed in Oregon.

There are many other actions identified in the report.

We think those described here represent the gist of the effort, although we are certainly willing to discuss them all.

We hope these ideas, many of which originated with others, will make things better for those who are finding their way to and through the colleges and universities, and who will enter into a very different world when they finish.

We believe that the initiatives called for will vastly increase their numbers.

As a state we need that; as individuals so do they.

We respectfully submit our report in this vein.

For copies of the drafts

Report Summary (29 Pages)

Full Report (220 Pages)

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